

Medi-Cal Requirement to Report Provider Enrollment Terminations

In accordance with Section 1902(kk)(6) of the *Social Security Act* and in accordance with 42 Code of Federal Regulations (CFR) Section 455.416(c) published on February 2, 2011, in the Federal Register to implement the *Patient Protection and Affordable Care Act (ACA)* of 2010, the director of California's Department of Health Care Services (DHCS) is issuing this informational provider bulletin. The information in this bulletin will be effective on January 1, 2013.

Federal Law Requires Reporting

Section 1902(kk)(6) of the *Social Security Act* requires states to report adverse provider actions to the Centers for Medicare and Medicaid Services (CMS). DHCS is the designated State agency responsible for the administration of California's Medicaid program, known as "Medi-Cal", and is required to report terminations of provider enrollments in the Medi-Cal program according to Federal Medicaid laws. Beginning on the effective date of this bulletin, DHCS will regularly report provider terminations to CMS on the Medicaid and Children's Health Insurance Program State Information Sharing System (MCSIS) database, as required in Federal Medicaid Regulations and as instructed per CMCS Informational Bulletins. DHCS will provide written notice to providers when their enrollment termination is reported on the MCSIS database.

Federal Law Requires CMS to Establish a Process for Reporting

Section 6501 of the ACA builds upon section 6401(b)(2) which requires that CMS establish a process to make provider termination information available to State Medicaid programs.

CMS Provides Guidance to States

The June 21, 2010, CMCS Informational Bulletin (CPI-B 10-01) notified states of a process that CMS was implementing to provide states with information on providers and suppliers who have been terminated from Medicare and Children's Health Insurance Programs (CHIP). CMS began to develop a system to enable information on terminated providers and suppliers to be automatically shared across State Medicaid programs in anticipation of the January 1, 2011, effective date of Section 1902(a)(39) of the *Social Security Act*. In the interim, CMS was sending this information to states by posting to a secure website sponsored by the Medicaid Integrity Institute, to which each state was given one license.

The May 31, 2011, CMCS Informational Bulletin (CPI-B 11-05) provides further guidance regarding provider terminations and reporting. Reporting of terminations must not occur until after the timeline for appeal has expired or the provider has exhausted all applicable appeal rights provided under state laws. States are not required to report those providers who were terminated prior to January 1, 2011. CMS describes the secure web-based portal they established to allow states to share information about terminated providers. Access to the reporting system is limited to users approved by CMS.

CMS published additional guidance on January 20, 2012, with the CMCS Informational Bulletin (CPI-B 12-02) which restates the federal regulatory definition of "termination" as occurring when a State Medicaid program, CHIP, or the Medicare program has taken action to revoke a Medicaid or CHIP provider's or Medicare provider or supplier's billing privileges and the provider has exhausted all applicable state appeal rights or the timeline for appeal has expired. This bulletin also states that the requirement to terminate under section 6501 of the *Affordable Care Act* only applies in cases where providers, suppliers or eligible professionals have been terminated or had their billing privileges revoked "for cause." In this bulletin CMS cites the name of the web-based application for reporting of terminations, which is the MCSIS.

DHCS Actions That May Result in Reporting to MCSIS

1. When DHCS suspends the participation of a provider in the Medi-Cal program, it has reported this action to CMS and to the public under existing law. This reporting shall continue. The MCSIS is being used as an additional avenue of reporting of these suspensions.
2. When DHCS deactivates a provider file based on a failure to disclose or false disclosure of required disclosure information on an application, and imposes a three-year reapplication bar period, if the provider subsequently exhausts all appeals as allowed under state law, or if the statutory appeal period expires, DHCS shall report the provider's Medi-Cal termination on the MCSIS.
3. When DHCS terminates the provisional status or preferred provisional status of an enrolled provider pursuant to specific grounds stated in the California *Welfare and Institutions Code* Section 14043.27(c) which also include imposition of a reapplication bar period, if the provider subsequently exhausts all appeals as allowed under state law, or if the statutory appeal period expires, DHCS shall report the provider's Medi-Cal termination on the MCSIS.